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GUEST COLUMN: Questions to ask when politicians set sights on your wallet

By Richard Eckstrom South Carolina comptroller Aug 1, 2017



Richard Eckstrom, South Carolina comptroller.

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It's one of the central debates of American politics: the age-old dispute between those who raise taxes to fund more services they consider important and those who are weary of being viewed as a piggy bank for politicians.

It's a debate that recently took center stage in South Carolina with the adoption of a new gas tax and vehicle registration law. Similar debates play out yearly in towns, counties and school systems across the nation.

When those who govern us seek to collect more – whether in the form of property taxes to make up a budget shortfall, income taxes to cover mismanaged government pension costs, or special taxes and new fees for construction projects – it can generate strong feelings.

Depending on your viewpoint, a particular proposal can be either a sensible solution to fund essential services or an easy fix for politicians unwilling to take necessary steps to make government operations more cost-effective.

It's perfectly reasonable – and it's even commendable – for citizens to ask tough questions of those who covet their hard-earned money. The burden should be on public officials to prove that an increase is necessary, not on citizens to prove otherwise.

Here are some questions worth asking the next time your government goes for your wallet:

>> Have all other options been exhausted? Most people would agree that tax increases should be a last resort, as they can place a very real burden on families. Those pursuing higher taxes should be willing to honestly demonstrate that existing resources are being used carefully and efficiently. Call on them to make an effort to eliminate spending on wasteful or less-essential items before raising taxes.

>> Is the current revenue structure fair? Many governments give special tax breaks, exemptions or "abatements" to businesses or other entities – usually in the name of promoting economic growth. Those incentives not only reduce revenue but also shrink the tax base, so that the cost of government is borne by a smaller number of taxpayers. Many laws giving special tax breaks to a privileged few have been on the books for years.

Before raising taxes on regular folks, it might be prudent to re-evaluate the current revenue system to determine whether there are ways to broaden the tax base.

>> Will citizens see how the money is spent? If the governmental body in question doesn't make detailed spending information accessible on the web in a way that makes it easy to find and clearly understandable, doing so should be a prerequisite for any tax increase.

>> Will there be adequate accountability safeguards? Insist on a concrete, clearly spelled out oversight and accountability plan to ensure the money is used as intended. Particularly when it comes to building programs – such as highway projects or school construction – a citizens' oversight committee with the authority to review financial and procurement documents can be effective in preventing abuse and misspending.

>> Are all the facts on the table? If a tax increase requires voter approval, stipulate that your consideration depends on having all the facts. Local governments holding referendums sometimes withhold certain details from voters; for example, a school district might not disclose the location of a planned new building for fear of riling nearby residents. That's a shame, because it undermines informed decision-making – and can lead to buyer's remorse if the measure passes. If your government doesn't trust you to know its plans, I'd be hesitant to trust them with your money.

And a word of advice to those officials eyeing your wallet: The power to tax citizens isn't something to be taken lightly. Every dollar pulled from someone's pocket is one less dollar for paying bills, buying groceries, sending a kid to college or saving for retirement.

Anyone who takes public service seriously will carefully weigh any perceived benefits of higher taxes against the financial downside on families.

As for citizens who criticize or ask tough questions? They play a valuable role, one that ultimately helps keep our political system healthy and holds officials accountable. They should be respected, and their involvement should be genuinely appreciated.

Perhaps even a "thank you" to the taxpayers is in order. After all, they foot the bill to make it all possible.

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